

# BANFF OIL LTD.

6th Floor, Calgary House

550 Sixth Avenue S.W.

Calgary, Alberta

Canada

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## NOTICE OF ANNUAL GENERAL MEETING OF THE SHAREHOLDERS

MAY 16, 1967

TAKE NOTICE that the Annual General Meeting of the Shareholders of Banff Oil Ltd. will be held in the Board Room at the Head Office of the Company, Calgary, Alberta, Canada, on May 16, 1967, at 10 o'clock A.M. (M.S.T.) for the purpose of:

- (a) considering and, if thought fit, approving the action of the Board of Directors in setting aside a reserve of 100,000 unissued shares of the Common Stock of the Company for the grant of incentive stock options to employees, including officers, of the Company, as further described in the Proxy Statement accompanying this Notice of Meeting; and
- (b) receiving and considering the Report of the Directors of the Company, the Statement of Financial Position and Auditors' Report, electing Directors of the Company, appointing Auditors, and transacting such other business as may properly be considered at the Meeting.

Shareholders of the Company of record at the close of business on April 17, 1967 are the only shareholders entitled to notice of or to vote at the Meeting.

If you are not able to be present at the said Meeting, kindly sign and return the enclosed Proxy, which must be deposited at the registered office of the Company, 6th Floor, Calgary House, 550 Sixth Avenue S.W., Calgary, Alberta, Canada, not less than twenty-four hours before the time fixed for the said Meeting.

DATED at Calgary, Alberta this 31st day of March, 1967.

By Order of the Board of Directors,

R. C. DOWELL, Assistant Secretary



## PROXY STATEMENT

The enclosed Proxy is solicited by and on behalf of the management of Banff Oil Ltd. for use in connection with the Annual General Meeting to be held May 16, 1967. All expenses in connection with this Solicitation of Proxies will be borne by the Company. Solicitation will be by mail and by regular employees of the Company.

All proxies delivered pursuant to this solicitation are revocable at the option of the person executing the same at any time before they are exercised. Shares represented by all validly executed proxies received as a result of this solicitation will be voted at the Meeting in accordance with any specifications made by shareholders therein, provided that such proxies are received at the registered office of the Company, 6th Floor, Calgary House, 550 Sixth Avenue S.W., Calgary, Alberta, Canada, not less than twenty-four hours before the time fixed for said Meeting.

In case the address of a Shareholder signing a Proxy appears on the records of the Company to be in the United States, the Proxy will not be used in connection with any vote on the Report of the Directors of the Company, the Statement of Financial Position and Auditors' Report.

The Common Stock of the Company is the only voting security of the Company, the holders thereof being entitled to one vote for each share held. Only holders of Common Stock of the Company of record at the close of business on April 17, 1967 are entitled to notice of or to vote at the Meeting. The Articles of Association of the Company provide that two members personally present and entitled to vote, holding or representing by proxy 5% of the outstanding shares entitled to vote, shall constitute a quorum. At the close of business on March 31, 1967 there were issued and outstanding 4,536,422 shares of Common Stock of the Company.

### CONSIDERING THE ACTION OF THE BOARD OF DIRECTORS IN SETTING ASIDE A RESERVE OF 100,000 UNISSUED SHARES OF COMMON STOCK OF THE COMPANY FOR THE GRANT OF INCENTIVE STOCK OPTIONS

Action will be taken upon a proposal to approve the action of the Board of Directors of the Company in setting aside a reserve of 100,000 unissued shares of Common Stock of the Company for the grant of incentive stock options to employees including officers, of the Company. Directors who are not officers or employees will not be eligible to receive such options.

Options with respect to the purchase of such 100,000 shares may be granted from time to time in the future by the Board of Directors of the Company exercisable in three equal parts on the first, second and third anniversaries of the date of the options and cumulative for a period not to exceed four years from the date of grant. The shares to be granted are not exempt from the United States Interest Equalization Tax. The 3,766,422 shares of the Company which are exempt from the United States Equalization Tax are quoted on the Toronto Stock Exchange separately from the remaining 770,000 shares which are not exempt. On January 26, 1967, (date of the last transaction in non-exempt shares) the non-exempt shares traded at \$10.00 and the exempt shares traded at \$15.00 on the Toronto Stock Exchange. Because most of the 770,000 non-exempt shares are held for investment purposes and are therefore not available at the present time to establish a firm market, the Company feels that the substantial discount (33⅓%) attributed by the market to the non-exempt shares is not warranted and therefore the exercise price for the optioned shares will be established as follows:

- either (a) The closing market price on the date of grant of the Toronto Stock Exchange listing for those shares of the Company which **are not exempt** from the United States Interest Equalization Tax;
- or (b) The closing market price on the date of grant of the Toronto Stock Exchange listing for those shares of the Company which **are exempt** from the United States Interest Equalization Tax, less a percentage equal to the rate of tax (presently 15%) applicable from time to time to transactions subject to the United States Interest Equalization Tax involving the Company's non-exempt shares

whichever is the greater. For example, an option on non-exempt shares granted on January 26, 1967, would have had an option price under the above proposal of \$12.75 which is 27½% above the market price for the non-exempt shares on that date.

It is anticipated that not more than 50 employees, including officers, of the Company may be eligible to receive options. No maximum or minimum number of shares to be optioned to any one person has been established. Eligibility of employees to receive options and the number of shares to be granted shall be at the discretion of the Board of Directors who have exclusive authority over all matters relating to the issue of shares pursuant to the Articles of Association of the Company.

There are no tax implications as far as the Company is concerned either on the granting or the exercise of options. Upon exercise of an option the optionee is obligated to pay a tax on the benefit, that is, the difference between the option price and the market value at the time of exercise.



No options were granted to any officer or director of the Company during 1966. The Company has had in effect in the last five years no bonus or profit sharing or other remuneration or incentive plans except as described in this Proxy Statement.

The Company's Retirement Plan is available to all employees. A total of \$10,046 was contributed by Officers of the Company to the Company's Retirement Plan during 1966 and an amount of \$3,673 was contributed by the Company on their behalf. Mr. Rudolph's contributions during 1966 were \$3,000 and the Company contributed the amount of \$1,500 making a total value of Mr. Rudolph's retirement fund, including both his and Company contributions, of \$25,741. Contribution by the Company is limited to 5% of employee's earnings or \$1,500 per year whichever is the lesser. Employee's contribution is the same, provided that the employee may contribute in excess of \$1,500 to bring his total contributions up to an average of \$1,500 per year for the number of years the Retirement Plan has been in effect. Over the last 5 years the Company has contributed \$19,682 on behalf of officers of the Company and \$61,296 on behalf of employees. Directors who are not officers, do not participate in the Plan. The Company's contribution vests in the employee after 10 years of service or on retirement, whichever is earlier. Benefits under the Plan upon retirement are in the nature of an annuity, with the employee having an election among several alternative forms.

The Company initiated an incentive Employee Investment Purchase Plan effective from January 1, 1967, available to all female employees and male employees, including officers, who are members of the Retirement plan. Each employee may elect whether his contribution of from 2% to 5% of salary will be invested in shares of common stock of the Company or in Canada Savings Bonds. The Company contributes to each employee's account an amount equal to 50% of the amount contributed by an employee with less than one year service with the Company and increasing by 10% each year so that after five years of service by an employee the Company's contribution will equal the contribution by the employee. The Royal Trust Company and Greenshields Incorporated, acting through their respective Calgary Managers, are administrators of the Plan to solicit and receive applications from employees for enrollment in the Plan, determine eligibility of applicants to share in Company contributions and instruct and supervise operations of the Trustee. The Royal Trust Company is Trustee. The Company knows of no relationship between the persons acting as administrators or the Trustee and the Company or any of its affiliates. The shares of Company stock purchased by the fund will be purchased on the open market by the Trustee each month at any time and from time to time at the complete discretion of the administrators. No employee, officer or director of the Company will have any say in determining the time or times of such purchases. It is estimated that monthly purchases during the first year will not exceed one-third of one percent ( $\frac{1}{3}$  of 1%) of the average monthly volume of shares traded on the Toronto Stock Exchange using the year 1966 as an example. Shares purchased with the employees' contribution will be distributed at the end of each plan year. Shares purchased by the Company contribution will not vest until three years after the beginning of any plan year.

#### **APPOINTMENT OF AUDITORS**

As set forth in the Notice, action will be taken at the Meeting upon the appointment of Auditors for the current fiscal year. It is intended that the Proxies hereby solicited will be exercised in favour of the appointment of Price Waterhouse & Co. The Company knows of no relationship between Price Waterhouse & Co. or any of its associates and the Company or any of its affiliates.

#### **OTHER BUSINESS**

While there is no other business than that mentioned above to be presented for action by the shareholders at the Meeting, it is intended that the Proxies hereby solicited will be exercised upon any other matters and proposals that may properly come before the Meeting, or any adjournment or adjournments thereof, in accordance with the discretion of the persons authorized to act thereunder.

DATED this 31st day of March, 1967, Calgary, Alberta, Canada.

By Order of the Board,

R. C. DOWELL, Assistant Secretary



The submission for approval of shareholders of the reserve of 100,000 shares for incentive options is a requirement of the Stock Exchanges, though not otherwise required. The action of the Board of Directors of the Company in setting aside such reserve requires approval by a majority of votes cast at the Meeting either in person or by proxy, provided that the total vote cast on the proposal represents over 50% of the shares entitled to vote on the proposal. Such reserve will be abolished if the same is not so approved by the shareholders.

## RECEIVING AND CONSIDERING THE REPORT OF THE DIRECTORS, ETC.

The Report of the Directors of the Company and the Statement of Financial Position and Auditors' Report are enclosed herewith and will be presented to the Meeting.

Approval of the Directors' Report and the Statement of Financial Position and Auditors' Report requires the affirmative vote of a majority of the shares, as being entitled to be voted, are voted in person by the shareholders or by proxy at the Meeting.

## ELECTION OF DIRECTORS

Action will be taken at the Annual General Meeting upon election of Directors of the Company to hold office until the next Annual General Meeting of the Company or until their successors are elected or appointed. It is intended that the proxies being solicited will be exercised in favor of the election of the following persons as Directors:

Name and principal occupation or employment and name and principal business or organization in which such occupation or employment is carried on	Has Served as Director since	Securities beneficially Owned Directly or Indirectly as of February 1, 1967 Common Stock
*JOHN C. RUDOLPH—President of Banff Oil Ltd. commencing June 19, 1961 _____	January 14, 1960	4,100
WATKIN SAMUEL—Consulting Mining Engineer, Steep Rock Iron Mines Company, Ltd., a Canadian exploration and development iron ore mining company _____	March 17, 1953	1,500
HAROLD W. MANLEY—President and Managing Director, Jefferson Lake Petrochemicals of Canada Ltd., Calgary, Alberta, and President, Petrogas Processing Ltd., Calgary, Alberta _____	May 2, 1962	100
*DONALD K. RUSSELL—Oil Specialist, Lehman Bros., New York, N.Y. (Investment Bankers) _____	January 2, 1963	1
JEAN PAUL LEGRAND—Foreign Assistant to the Director of Exploration and Production, Societe Nationale des Petroles d'Aquitaine, Paris, France, for the past 6 years _____	February 3, 1964	5(1)
*GILBERT RUTMAN—Director of Foreign Operations Division, Societe Nationale des Petroles d'Aquitaine, Pau, France, also, President of Aquitaine Company of Canada Ltd. since January, 1964 _____	February 3, 1964	5(1)
*LOUIS PRADAL—Executive Vice-President and General Manager of Aquitaine Company of Canada Ltd., Calgary, Alberta, since January, 1964; Chief of Economic Studies, Exploration and Production, Societe Nationale des Petroles d'Aquitaine, Pau, France, during the years 1959 through 1963 _____	February 3, 1964	5(1)
LAURENT MICHEL—Vice-President, Paribas Corporation (Investment Bankers); during the years 1956-1962, Director, Development Department, Texas Butadiene & Chemical Corporation _____	February 7, 1966	100
GEORGE CRETZIANU—Director, Greenshields Incorporated, Investment Dealers, Montreal, Canada, for over 5 years _____	April 29, 1966	1

\*Denotes member of Executive Committee.



(1) Aquitaine Company of Canada Ltd., a wholly-owned subsidiary of Societe Nationale des Petroles d'Aquitaine, owned beneficially and of record 1,998,790 shares of Common Stock of the Company on March 1, 1967, 44% of those outstanding, and may be deemed to be in a control position with respect to the Company. Societe Nationale des Petroles d'Aquitaine is engaged in the exploration, production and marketing of hydrocarbons and other mineral products. Its activities include operation of the Lacq gas field in southwest France. Approximately 51% of the outstanding shares of Societe Nationale des Petroles d'Aquitaine are held by the Government of France. Aquitaine Company of Canada Ltd. is in the business of oil and gas exploration, development and production.

The Company and Aquitaine Company of Canada Ltd. have entered into annual agreements effective since January 1, 1964, providing for the joint acquisition, exploration and development by the two companies of oil and gas prospects originated by the Company; the Company and Aquitaine each pay (1) 50% of the cost for their equal interests in oil and gas prospects in Manitoba, Saskatchewan and southeastern Alberta and (2) the Company and Aquitaine pay 10% and 90%, respectively, of the cost for their respective 10% and 90% interests in oil and gas prospects in the high-risk and high-cost areas which make up the balance of Alberta, British Columbia and the Northwest Territories where exploration is generally more expensive and access to market more difficult. Under the terms of the agreements, the Company is required to employ sufficient qualified personnel (a) to evolve potential oil and gas prospects commensurate with the combined exploration budgets of the two companies, and (b) to develop, operate and produce successful prospects. Each company shares the resulting overhead and administrative costs in the proportion which its exploration and development costs bears to the combined total of exploration and development costs on the joint prospects. As a result, Aquitaine paid to the Company the sum of \$1,172,291.00 for the year 1966. The Company believes that the terms of the agreements with Aquitaine are not less favourable than could be obtained from a non-affiliated company.

As of the date of the last meeting of the Board of Directors held on February 25, 1967, Aquitaine indicated its intention to vote in favour of those matters set out in the Proxy for specific instruction from shareholders.

#### REMUNERATION AND STOCK OPTIONS

During the last fiscal year, no Officer or Director of the Company received aggregate remuneration from the Company in excess of \$30,000 except Mr. Rudolph whose total remuneration was \$41,200. During such year the aggregate remuneration paid by the Company to all persons, as a group, who were Officers or Directors of the Company (thirteen) at any time during the year was \$97,690. All dollar amounts are in Canadian funds.

The following table sets forth information as to options granted to Mr. Rudolph, all directors and officers of the Company as a group and all other employees during the past five years:

Name of Individual or Group	Options Granted	Option Price	Options Exercised	Market Price on Exercise Date	Shares Sold	Shares Still Subject to Option
John C. Rudolph	10,000 shs.	\$2.47*	10,000 shs.	\$2.60	19,300 shs. (1)	10,000 shs.
All Officers (other than Mr. Rudolph)	6,000 shs.	\$2.47*	2,000 shs.	\$1.65	1,990 shs. (2)	6,000 shs.
All other Employees (eleven) (3)	54,000 shs.	1.47-12.75*	35,911 shs.			18,089 shs.

(1) In addition, Mr. Rudolph sold options covering 50,000 shares to Aquitaine Company of Canada Ltd. at a price equal to the difference between the \$1.05 option price and the \$2.70 price offered by Aquitaine at the time of its public offering to all shareholders on January 15, 1964.

(2) In addition, one officer sold options covering 10,000 shares to Aquitaine Company of Canada Ltd. under the same circumstances and price as set out in note (1) above.

(3) Does not include options on 20,000 shares granted on January 18, 1962, which were not exercised and which were terminated when the optionee severed his connection with the Company. No options were granted to directors, other than Mr. Rudolph, during the past five years.

(\*) The option price for all options granted by the Company has been the closing market price on the Toronto Stock Exchange on the date of grant of the option. Outstanding options terminate on various dates from April 21, 1967 to March 8, 1969.



The Commission of the European Communities is a body of 12 member states which have agreed to pool their resources in order to achieve a common economic and social policy. The Commission is responsible for the day-to-day running of the Community and for proposing legislation to the Council of Ministers. It also monitors the implementation of Community law and manages the Community's budget.

# MEMBERSHIP AND VOTING RIGHTS OF THE COMMISSION

The Report of the Director of the Commission and the President of the Council of Ministers are the two main documents which govern the Commission's work. The Report of the Director is a detailed account of the Commission's activities during the year, while the President's Report is a more general statement of the Commission's policy and objectives. Both reports are submitted to the Council of Ministers for approval.

The Commission is composed of 20 members, 12 of whom are appointed by the Council of Ministers and 8 by the European Parliament. The members are divided into three groups: the President, the Vice-President, and the Members. The President is elected by the Council of Ministers for a five-year term, while the Vice-President and the Members are appointed by the Council of Ministers for a five-year term.

The Commission's budget is managed by the Director of the Commission, who is responsible for the day-to-day running of the Commission's financial affairs. The budget is divided into two main parts: the operating budget and the investment budget. The operating budget covers the Commission's day-to-day expenses, while the investment budget covers the Commission's capital expenditure.

The Commission's financial statements are audited by the Court of Auditors, which is an independent body of 12 members. The Court of Auditors is responsible for checking the Commission's accounts and for reporting on the results of its audit.

The Commission's work is organized into several departments, each of which is headed by a Director. The departments are responsible for different areas of the Commission's work, such as the environment, transport, and energy.

The Commission's work is also organized into several committees, each of which is responsible for a specific area of the Commission's work. The committees are composed of members of the Commission and of representatives of the member states.

The Commission's work is also organized into several working groups, each of which is responsible for a specific area of the Commission's work. The working groups are composed of members of the Commission and of representatives of the member states.

The Commission's work is also organized into several expert groups, each of which is responsible for a specific area of the Commission's work. The expert groups are composed of experts from the member states and from other countries.

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